

FISCAL NOTE
SB 1316 - HB 1461

March 18, 2003

SUMMARY OF BILL: Authorizes in-state tuition to the University of Memphis to residents of Crittenden, Arkansas, and residents of the counties of DeSoto, Marshall, and Tate, Mississippi. Also authorizes in-state tuition to East Tennessee State University to residents of Scott, Washington, or Grayson counties, all in Virginia, or in Mitchell, Avery, or Watauga counties, all in North Carolina.

ESTIMATED FISCAL IMPACT:

Increase State Expenditures - \$3,560,781

Estimate assumes:

- The out-of-state attendance rate for the University of Memphis and East Tennessee State University from these counties will remain constant.
- Projected waivers for each institution are based on the current enrollment and the amount of the waiver. To the extent attendance from these out-of-state counties increases, state expenditures will also increase.
- Since the funding formula calculation recognizes out-of-state tuition as a funding source, when out-of-state revenue decreases, the state's share of the formula costs increases. Assumes lost revenues will be replaced with state funds.
- Using current average FTE enrollment, there are 1,013 FTE enrolled at ETSU and the University of Memphis who will be admitted to these institutions at in-state rates.
- For each out-of-state FTE student who is enrolled full-time at ETSU and the University of Memphis, revenues would be decreased by \$3,479 per academic year and \$3,577 per academic year respectively.
- The current FTE enrollment is comprised on both part-time and full-time students.
- ETSU - 640 FTE x \$3,479 waiver amount = \$2,226,560
UOM - 373 FTE x \$3,577 waiver amount = 1,334,221
Total \$3,560,781

CERTIFICATION:

This is to duly certify that the information contained herein is true and correct to the best of my knowledge.

James A. Davenport, Executive Director

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